Strengthening Statistics for Measuring the Sustainability of Tourism in the Philippines

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ISI Session
An Integrated Statistical Framework for Measuring Sustainability: The Case of Tourism (MST)

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Outline of Presentation

1. Philippine Economy and Tourism
2. National Tourism Agenda
3. Philippine Pilot MST and Tourism Satellite Accounts
4. 2019 and 2020 Report of Tourism Industry
5. Ways Forward
The Philippine economy remained strong before the Pandemic at 6.1% growth in 2019.

In 2020, this declined to -9.6 percent; a contraction of Php 1.9 trillion pesos.

Before Covid-19 Pandemic, 2000-2019

2020 Covid-19 Pandemic

Tourism was valued at PhP 973.3 billion in 2020, declined by -61.2% from 2019.

In 2019, Tourism contributed 12.8% to the economy but declined to 5.4% in 2020.
1 The Philippine Economy & Tourism


- **Electronic Products**
  - INBOUND Tourism 600
  - Other exports of goods 398
  - Agricultural products 246
  - Machinery and transport… 140
  - Ignition wiring sets 115
  - Metal components 89

- Total Exports 1,532

In Exports, INBOUND TOURISM ranked 2nd in 2019; & 4th in 2020.

2 The Philippine National Agenda on Tourism

As National Policy,** TOURISM is recognized as an ENGINE of INVESTMENT, EMPLOYMENT, GROWTH and NATIONAL DEVELOPMENT as indicated in the government’s planning frameworks.

- **Philippine Development Plan 2017-2022**
- **Sustainable Development Agenda 2030**
- **Ambisyon Natin 2040 (Long-Term Vision)**

**Tourism Act of 2009, Philippines**
The Philippine National Agenda on Tourism

As National Policy,** TOURISM is recognized as an ENGINE of INVESTMENT, EMPLOYMENT, GROWTH and NATIONAL DEVELOPMENT as indicated in the government’s planning frameworks.

Implement National Tourism Development Plan; Increase market share on international tourism, etc. Ambisyon Natin 2040 (Long-Term Vision)

Tourism related services identified as among the nine priority sectors to meet the Long-Term Vision for 2040

**Tourism Act of 2009, Philippines

2 The Philippine National Agenda on Tourism

Target 8.9 – by 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

Target 12.b – develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs, promotes local culture and products.

In addition to current Tier II Indicator 8.9.1 Tourism Direct GDP (economic indicator), the UNWTO Committee on Statistics proposes to:

- Adjust current 8.9.2 indicator by “Number of Employees in the tourism industries” (social indicator)
- Add indicator 8.9.3 “Energy use in the tourism industries” (environmental indicator based on the SEEA and TSA)
2 The Philippine National Agenda on Tourism

**SUSTAINABLE TOURISM DEVELOPMENT** is integral to the national socioeconomic development efforts to improve the quality of life of the Filipino people. **Department of Tourism (DOT)**

**The Annual President’s Report of the State of the Nation** (26 July 2021)

- **DOT supports Coron’s sustainable tourism development to bounce back**
  - Thursday, March 4, 2021

- **DOT Aims for Data-Driven Response to Tourism Recovery Under New Normal with Survey** Manila December 1 2020

- **DOT welcomes ASEAN as a single tourism destination**
  - Friday, February 5, 2021

- **DOT: 3,000 Boracay tourism workers to receive Covid vax**
  - Wednesday, July 7, 2021

3 The Pilot MST & the Phil Tourism Satellite Accounts

**Statistical Frameworks and its Linkages**

- **Measuring Sustainability of Tourism**
  - Start: 16th International Conference on MST
  - Manila, Philippines, June 22-23, 2017

- **SNA**: System of National Accounts 2008

- **TOURISM Statistics/Accounts**: International Recommendations for Tourism Statistics 2008

- **SEEA-CF**: System of Environmental-Economic Accounting 2012

- **SEEA-Ecosystem**: System of Environmental-Economic Accounting 2012: Experimental Ecosystem Accounting
The Pilot MST & the Phil Tourism Satellite Accounts

What is takes to have the MST and the PTSA?

- Research study on the contribution of tourism to the Philippine economy: 1988
- Approval of methodology for compiling the PTSA: 2009
- Approval and adoption of PTSCS: 2016
- Approval of methodology for compiling the PTSA: 2020
- Release of the Revised Series 2000 to 2018 and Table on Tourism Collective Consumption and Table on Tourism Gross Fixed Capital Formation: 2021

Continues participation in Global and National Meetings, Conferences, Workshops

MST: Philippine Initiatives

- Hosted the 16th International Conference on MST; Paper on Subnational Measurement of MST in the Philippines: June 2017
- Presentation during the 2nd Meeting of the Working Group of Experts on MST: Oct, 2018
- Submission of MST estimates to UNWTO in 12 August 2020, which was included in the publication released in September 2020: Aug, 2020
- Presentation during the 18th Meeting of the UNWTO Committee on Statistics and Tourism Satellite Account: Oct, 2019
- Presentation of the MST paper entitled, “Towards the Development of Sustainable Tourism Indicators for the Philippines” during the 14th National Convention on Statistics (NCS): Oct, 2019
- Appreciation Training on MST by PSA Central Office, MIMAROPA (Palawan) & CAR Regional Office: 2018-2021
- In-house Training of PSA on MST: Mar, 2021
- Presentations to Inter-agency Committee on Tourism Statistics: Mar, 2021
3 The Pilot MST & the Phil Tourism Satellite Accounts

Philippine TSA Indicators
- Inbound tourism expenditure
- Domestic tourism expenditure
- Outbound tourism expenditure
- Internal tourism expenditure
- Gross Value Added of Tourism Industries
- Tourism Direct Gross Value Added
- Employment in tourism industries
- Tourism Gross Fixed Capital Formation
- Tourism Collective Consumption
- Arrivals, Length of Stay, Daily Expenses

Philippine MST Indicators
- Water Consumption
- Energy Consumption
- Carbon Dioxide Emission
- Supply and Use Data on:
  - Total Production and Consumption
  - Electricity
  - Water
  - Petroleum and other fuel products
  - Solid Waste

Methods:

1. Supply and Use – what are produced by industries, tourism industries are consumed by industries, households, government, tourist, etc; using the System of National Accounts Framework

Others:
- Use of indicators – revenues, expenditures, etc.
- Use of regular survey results – households, corporations, etc
3 The Pilot MST & the Phil Tourism Satellite Accounts

Methods: Tourism Industries / Products *

- Accommodation services for visitors
- Travel agencies and other reservation services
- Food and beverage serving services
- Country-specific Tourism characteristics services (shopping)
- Transport services
- Miscellaneous items (e.g. spa, foreign exchange, etc.)
- Entertainment and recreation services

*Based on TSA Framework and the 2016 Philippine Tourism Statistical Classification System (PTSCS)

3 The Pilot MST & the Phil Tourism Satellite Accounts

Coordination Mechanisms

- Philippine Statistical Development Program, 2018-2023
- Philippine Statistics Authority Board (highest policy making body on statistics)
- Interagency Committee on Tourism Statistics; Environment Accounts, etc.
- System of Designated Statistics (Executive Order 356)
- National Convention on Statistics; National Statistics Month
COVID-19 Pandemic significantly reduced the contribution of TOURISM to the Philippine Economy from 12.8% in 2019 to 5.4% in 2020!

Inbound Tourism declined by -77.9% from 2019 to 2020.

In 2020, DOMESTIC TOURISM EXPENDITURES declined by -82.3%; OUTBOUND TOURISM also declined by -73.2%.
In 2020, most affected TOURISM INDUSTRIES were: (1) Transportation Services (39.1% share) and Entertainment and Recreation Services (15.9% share); both had shared 55.0% of the total tourism industries.

Employment in tourism industries declined by -18.1% in 2020:

- About 4.7 million people are employed in tourism industries.
- About 12 for every 100 employment are in tourism industries.
Passenger Transport (39.9%) and Accommodation and food and beverage (31.4%) had the highest share in employment among tourism industries.

Tourism Gross Fixed Capital Formation declined by -28.8% in 2020; This shared 11.3% to total Gross Fixed Capital Formation.

Tourism gross fixed capital formation amounted to PhP 430.7 billion in 2020.
Tourism Collective Consumption amounted to PhP 81.7 billion in 2020.

Among Tourism Industries, Accommodation Services had the highest water consumption of 79% when compared to the combined water consumption of domestic tourism & inbound tourism.
4 2019-2020 Report of Tourism Industry

Accommodation Services for Tourism consumed 49% of energy when compared to the total energy consumption of domestic & inbound tourism.

![Chart showing total energy consumption, 2012 to 2020 in KTOE]

Domestic Tourism consumed more than 3/4ths of the total water consumption and total energy consumption. This recorded a consumption share of 79% and 78% of total water & energy, respectively.

Water Consumption
- Domestic Tourism: 79.02%
- Inbound Tourism: 20.98%

Energy Consumption
- Domestic Tourism: 78.02%
- Inbound Tourism: 21.98%
For combined domestic tourism and inbound tourism, carbon dioxide emissions from petroleum consumption is higher from those emission for electricity consumption. On the average, the emission from petroleum is 8,041 Gg CO₂ while the emission from electricity is 4,272 Gg CO₂.

### Ways Forward

INTEGRATE MST WITH EXISTING ENVIRONMENT & ECOSYSTEM ACCOUNTS and EXPAND COVERAGE FOR BETTER ANALYSIS

1. To integrate the results of the MST with the available Environmental Accounts on water consumption, energy consumption, etc.

ADVOCACY OF MST TO USERS FOR POLICY DEVELOPMENT

2. To conduct Users Forum to create awareness and build knowledge among users to further the uses and applications of MST for policy development.
5 Ways Forward

EXPLORE ALTERNATIVE DATA SOURCES TO ENHANCE MST COMPILATION
3. To study other data sources to supplement existing data used particularly on parameters and assumptions adopted in the present MST compilation.

BUILD CAPACITIES OF COMPILERS, DATA PRODUCERS AND DATA USERS OF MST.
4. To request technical assistance from UNWTO, etc for the conduct of country training by international experts on MST particularly for the Philippine Statistics Authority (as compiler of MST) and the Department of Tourism (as major producer and user of MST).